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Progress Made At 3-Hour Battle Near Ismailia

Egyptian Key Man

Truce Talks REDS MAKE CONCESSIONS ON TWO POINTS

Munsan, Jan. 2.

Korean truce negotiators yesterday edged toward agreement on how to control a build-up of air strength during an armistice.

In the most significant step forward since the UN Command and Communists exchanged prisoner lists on December 18, the Reds yesterday agreed:

1. To supply additional information on the 53,000 soldiers the UN says are in enemy hands and have not been reported. Most of these are South Koreans.
2. To accept in principle an Allied proposal for repatriation of civilians "caught in the backwash of war" during an armistice and give a definite answer after further study.

Both sub-committees are scheduled to meet again today (Wednesday) at 11 a.m. in their respective tents at the neutral village of Pan Mun Jom.

The progress made on the prisoner issue may help to crack the stalemate over Allied insistence that both sides be restricted in rehabilitating airfields during an armistice.

The previous pattern of the nearly six-month-old talks indicated it is about time for the Reds to come through with another compromise proposal.

SURPRISED

And the Allies left no doubt after a 37 minute meeting on the subject yesterday that the Communists must provide the key to remove the deadlock over supervision of an armistice. UN Command and Communist negotiators appeared surprised at the progress they made on the other issue during the one hour and 10 minutes meeting yesterday.

Rear Admiral R. E. Libby, Allied sub-delegate, said, "We had a very agreeable meeting, singularly enough. They (the Communists) were apparently following the old Chinese philosophy of paying all debts at one time at the New Year."

North Korean Major General Lee Sang Cho, Red negotiator, said, "I think this is one of the best phenomena since the beginning of the conference."

POINT NOT PRESSED

This is the first time this number has been mentioned. Adm. Libby did not refer to the figure in his later statements and the Communists did not press the point.

The UNC has promised to have ready today the first of the additional data it promised the Reds. This included details of the 44,205 Red prisoners which the Communists say have not been accounted for.

There still was no indication from the Reds when they would have the additional prisoner information ready for the Allies.—Associated Press.

A Dangerous Old Custom

Rome, Jan. 1. It is an old Roman custom to celebrate New Year's arrival by throwing junk, pots and pans, old garbage cans and discarded bath-tubs from windows at the stroke of midnight. That was done this year. The result: 10 persons were admitted to hospitals today with possible skull fractures.—United Press.

Persian Govt Criticised By Senators

Teheran, Jan. 1.

At a special budget debate this morning Senators criticised the government's economic policy and expressed concern over the rise in the cost of living.

Senator Abolqazari Lessani criticised the government for retention of the high taxes on tobacco while cancelling the recently-imposed 50 per cent duty on cars.

The acting Finance Minister, Ali Asghar Furuzan, said the government was forced to revoke the duty on cars after a protest by the United States Embassy. He added that the Senators should bear hardships.

The National Economy Minister, Dr. Ali Amin, said Iran's barter agreements with the Soviets had expired and no new agreement had yet been signed. Dr. Amin said the only barter deal in existence now was with Germany and he warned that if the Majlis did not approve this agreement Turkey would snatch Germany's import markets from Iran by supplying the same products.

He said that even if a barter deal were signed with the Soviet, Iran would need to continue trade with the West as Iran did not possess sufficient quantity of commodities to barter and something serious must be done.—United Press.

Armoured Cars Take Part In Action

"We Will Stay" Statement By General Robertson

Cairo, Jan. 1.

British troops fought a three-hour gun battle with Egyptian "Commandos" on the outskirts of Ismailia last night a few hours after the "Here we are and here we stay" statement by the British Middle Eastern Commander, General Sir Brian Robertson.

Troops of the Royal Lincolnshire Regiment and armoured cars of the Royal Dragoon Guards kept up a constant barrage of rifle, machine-gun and mortar fire during the battle—the longest of the Anglo-Egyptian disturbances.

No British casualties were reported. Egyptian casualties were not known.

To Colorado The New Year Brought

Storms Landslides & Death

Denver, Jan. 1.

The New Year thundered into Colorado today behind one of the worst storms in the history of the State.

One man has died, hundreds are marooned and many have escaped close brushes with death.

Four other men are believed to have been killed in the storm.

A series of unprecedented snow slides, heavy snows and strong winds combined to shut off communication and transportation to the hardest hit areas, making it impossible to get accurate accounts of the full extent of the damage done and the destruction wrought.

Rambling slides at Wolf Creek Pass swept two men to their deaths, it is believed, and left dozens of motorists and small children unaccounted for. Two truck drivers are also believed to be dead.

The other storm victim was Virgil G. Rosenbaum, 56, of Denver, who died of a heart attack on Sunday near Blue Lake while attempting to push his car out of a snow drift.

ABANDON CARS

Meanwhile, an unconfirmed report came in last night that the body of another man had been discovered beneath the snow bank on Wolf Creek and that a truck and driver had been swept off the highway by the slide.

An estimated 22 persons, including several children, were forced to abandon cars on Wolf Creek. Four snow ploughs and four bulldozers attempted last night to force a trail through to the highway maintenance camp where the party is believed to be headed to escape the storm.

Winds of gale proportions set off slide after slide on Sunday on Berthoud Pass, marooning more than 500 skiers and winter sightseers for hours.

Several cars overturned as motorists attempted to make their way down switch-backs, but the occupants escaped with minor injuries.

CHICAGO COLD WAVE
Meanwhile, it is reported from Chicago that a cold wave moved in with the New Year and that the toll of holiday deaths on highways had climbed steadily.

Traffic fatalities reached 200 and safety experts feared that the home-bound crush of travel might send the total to over 350 deaths, the number predicted by the National Safety Council.

A United Press survey also showed 34 deaths in plane crashes, 46 in fires and 88 in miscellaneous accidents.

At least four other planes are still missing with a total of 39 persons aboard.

A New Year's Eve mishap claimed three lives at Wichita, Kansas, when a taxi-cab was struck by another car as it turned into a night-club driveway. Two of the taxi's passengers and the driver of the auto were the victims.—United Press.

Meanwhile, the Egyptian Premier, Mustafa el Nahas Pasha, has replied in Cairo to General Robertson's statement.

Nahas said that Egypt was prepared "to use force in reply to force if necessary."

"We are not worried by such threats," he said commenting on General Robertson's statement. "We are determined to attain our ends and rely on national claims for the total evacuation of the Nile Valley with unity under the Egyptian Crown."

"These imperialistic formulas don't benefit those who use them," Nahas Pasha said, referring to General Robertson's statement.

General Robertson, speaking yesterday "with the authority of Mr. Churchill," said that Britain would "meet force with force" in the Canal Zone.

"We shall go on month after month for many months if need be," he said.

PROPOSALS REJECTED
Nahas Pasha said today that the Egyptian Government had already rejected the four-Power proposals put forward by Britain and would not discuss them until British troops had been evacuated from the Suez Canal Zone.

He said that "Egypt and Egypt alone has the right to safeguard freedom of navigation through the Canal. The presence of British troops cannot therefore have any other purpose than self-interest. If the British believe that their best behaviour in the Canal Zone has the support of some States as General Robertson says, there is no doubt every peace loving country which upholds justice, equality and freedom condemns British aggression against Egypt's freedom."

In Cairo the situation remained tense and steel-helmeted Police guarded all the roads to Foad el Awal University, centre of extremist demonstrations.

The University closed indefinitely after a series of Christmas demonstrations against Britain.

United Press correspondent Peter Webb reported from British headquarters in the Canal Zone that the British were ready for any Egyptian move to attempt to repeat last night's gun battle.

A British spokesman said that the Egyptians would find it "increasingly uncomfortable" in Ismailia from now on.

TO HELP PATROLS
Royal Air Force armoured cars from Jordan will strengthen British Army patrols in the Canal Zone.

This was announced after a bitter fight early today over the sweet water canal in Ismailia between men of the Royal Lincolnshire Regiment and Egyptians.

The cars—seven of them including four reconnaissance ones—were to have made a short routine visit. A spokesman said, "In view of the present situation it was decided to keep them here."

Commenting on the battle in "Sten Gun Alley" a British Army spokesman said today, "If it happens again our retaliation will on the whole be a lot hotter."

He said that hostile fire came mainly from a place which could be located and on which heavier fire could be concentrated.

Terrorists, apparently in all trenches, opened fire with rifles and Bren guns on the YMCA bridge at one end of the alley soon after midnight.

The spokesman said that extra patrols had been sent out for two nights because of

sniping and cable cutting. There had been no incidents but patrols would be resumed if necessary.

The spokesman said that saboteurs had removed rail from a railway line early on Sunday at a time when a British Army train was almost due. But as an Egyptian Army train making a routine journey from the Sina Desert to the Nile Delta came along, the saboteurs had to replace the rail. The British train passed safely over immediately afterwards.

The spokesman said that a major source of dynamite to the Egyptians had been removed by the seizure at Suez yesterday of two barges carrying explosives.

The two barges, carrying explosives consigned from Europe to Afghanistan, had been unloaded by the Egyptians and had been pilfered.

The spokesman said that the barges were re-taken with the assistance of the Royal Navy. They were now at Adabiya under guard and would be sent on to Afghanistan as soon as arrangements were made. The spokesman added.—United Press and Reuters.

INTEND TO STAY

Cairo, Jan. 1.

Reaffirmation that British forces intend to remain in the Canal Zone has come from General Sir Brian Robertson, British military Commander-in-Chief in the Middle East.

"It would be a great mistake for anyone to imagine that pressure and terrorism, with their inevitable consequences, will in any way affect our resolve," General Robertson said.

"If necessary," he added, "we shall go on month after month for many months, if need be."

He continued, "We shall meet force with force, using ourselves no more than is necessary. We have sufficient forces at our disposal and we have the support of other countries."

General Robertson said that his statement was fully backed by Mr. Winston Churchill, the Prime Minister.

"No one should be misled into thinking that we shall be turned from our policy by the passage of time or murderous episodes," General Robertson said.

General Robertson added that the British Government were "determined to press forward the four-Power proposal (for a Middle East command) in which it is sincerely hoped that Egypt will participate in full and equal partnership."

General Robertson, who returned this evening from a brief visit to England, declined to answer questions after reading his prepared statement.—Reuters.

Govt Ignores Protests

Rio de Janeiro, Jan. 1. Ignoring bakers' protests that consumers would be "poisoned," the government today went ahead with its wheat-saving programme and ordered bakers to make "mixed" bread beginning January 15.

To a suggestion by millers that they be allotted foreign exchange to buy wheat wherever available abroad, the Export-Import Division of the Bank of Brazil replied, "There is very little wheat anywhere in the world."—United Press.



The Egyptian Foreign Minister, Salah el Din Pasha, recognised as one of the key figures in the current Anglo-Egyptian dispute, is seen above in conversation with the leader of the Turkish delegation to the United Nations at a Paris banquet. Topic of conversation may have been Egypt's attitude to the Middle East defence scheme.—France-Press.

Germans To Train Egyptians

(From Charles Wighton)

Bonn, Jan. 1. Egypt has completed plans to replace the British military mission to King Farouk's army with Germans recruited from unemployed Hitler generals in Germany.

German military experts are already in Egypt, according to German reporters in Cairo today. Top German commanders available to the Egyptian General Staff include Rommel's former lieutenants, General Fritz Bayerlein and General von Ravenstein, who led the 1941 break-through into Egypt.

The Egyptian Foreign Minister, Ibrahim Farag Pasha, revealed today to German reporters in Egypt that German military specialists are already in Egypt.

"We are making arrangements to bring more German experts to Egypt," he added.

Senior British officials in Germany said that only the Bonn Government can prevent German generals accepting the Egyptian offer to train and secretly command the Egyptian army.—London Express Service.

Cold War Is Over Says Soviet Press

Moscow, Jan. 1.

Soviet press editorials today hailed the new year optimistically and claimed that the cold war between the East and the West was over.

Pravda stated that "peace and the future are still with us."

The cold war has ended and economic relations between the East and the West have become normal again, the review said, adding that signature of a peace pact will not put an end to colonial exploitation.—France-Press.

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Smile at yourself in the mirror...

Are your teeth as white as hers?

Put yourself to the Mirror Test! Are your teeth as white as they could be? Is your smile as bright as it should be? The answer is "Yes!" when you use Peppodent, for Peppodent contains Irium to dissolve the ugly stains that steal whiteness, spoil your smile.

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TONIGHT—SMILE INTO YOUR MIRROR. TOMORROW—LOOK AT YOUR TEETH.

NEXT—CLEAN YOUR TEETH WITH PEPPODENT. DO THIS MORNING AND EVENING, FOR A WEEK.

THEIR SMILE INTO YOUR MIRROR. SEE HOW A WEEK OF PEPPODENT HAS MADE THEIR SMILES SO BRIGHT.

COMMENT OF THE DAY

The Year Beginning

NINETEEN fifty two, as much as any other year since the war, opens on a note of inquiry. Dominant in everyone's mind is whether world peace will continue to be preserved; and if so, at what price? All in the Free World will take heart from Mr. Acheson's optimistic speech wherein he forecast that 1952 would bring new power to the democracies to make decisions of vital importance and influence on international affairs. This utterance, taken in conjunction with other sentiments expressed by national leaders, prompts the belief that the year now beginning will produce, at least, a reasonable degree of peace, which in turn means happiness and some contentment. The general situation may call for sober anticipation, but not for alarm. While emphasis is still placed on defensive rearmament, indications are that no nation either wants to go to war, or is willing to risk taking any such step. It is possible, therefore, to estimate that internationally the situation in 1952 will stay relatively unchanged; the West and the East will remain at loggerheads—at least verbally. Hongkong greets a new year, fully aware of the international complexities, and conscious that to some extent the Colony must be affected by the course taken by these affairs. Nevertheless, purely domestic problems will occupy our attention. Our administrators have several subjects calling for their attention. Foremost is the question of amending the Landlord and Tenant Ordinance, which, as at present advocated, includes the decontrolling of certain types of property. The proposition has stimulated an interesting, not to say impressive, reaction. That tenants of living houses should protest against the proposal was to be expected; but when property owners raise their voices against the idea, the thought is instilled that perhaps the new measures require reconsideration. Property owners who have cast their vote against the proposed legislation argue that this is

the wrong time to de-control because the Colony is beginning seriously to feel the effects of the economic embargo and other trading restrictions, and that in consequence it is essential to protect, as far as possible, the economic equilibrium of the Colony. One way of so doing, it is contended, is to retain official controls over rentals. It is a point which Government must take into consideration before asking Legislative Council to give approval to the amended Landlord and Tenant Ordinance. Nor is this the only subject which calls for Government's close attention during the year just beginning. Increasing living costs and what they mean to the average worker and family cannot be ignored. The official indexes of living costs, while interesting, do not suggest a solution to a problem which, to tens of thousands, becomes more serious every day. It is a subject which requires closer governmental investigation. Neither must Government adopt the attitude that constitutional reform is something that has been pigeonholed sine die. Whatever the merits or defects of the proposition, it remains a matter of import to the Colony; it is, in fact, an essential and practical expression of a long-term colonial policy laid down by the late Socialist Government and subscribed to by the present Imperial Government. Whatever else happens in 1952, it is of necessity that constitutional reform should receive the active attention of the local authorities. It may be inopportune to introduce effectively this year the proposed measures, but it would be tantamount to a breach of promise, as well as a breach of faith, for Government to relegate the project to the abyss of official archives and thereby frustrate and discourage all local interest in it. Eventually the question of constitutional reform will have to be resolved and Government would be well advised to use 1952 as a clearing ground for the introduction of appropriate measures.

KING'S MAJESTY

in Condition

★ SHOWING TO-DAY ★
AT 2.30, 5.15, 7.20 AT 2.30, 5.20, 7.20
6.30 P.M. 6.30 P.M.

Today the Warner Bros Musical that Outshines 'em All!

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SERENADE — Raymond Liao
FILIPINO LAMP DANCE — Bobo Darling.
and others.

Pupils of the Carol Bateman Dancing School.

ALL WELCOME

FREE

Anglo-French Handshake



Mr Winston Churchill, during his recent visit to Paris, shaking hands with the French Premier, M. René Fleye, before the start of the talks. Also in the picture are Mr Anthony Eden and M. Schuman (right).—(Central Press).

Home-Made Bomb Explodes

Manila, Jan. 1.
A Manila citizen who wanted to greet the New Year with a home-made bomb was seriously injured when the bomb exploded accidentally last night.
His five-year-old son was also badly injured and a daughter, three, and a neighbour were slightly hurt.
The bomb was made of cannon shell powder packed into a coconut shell. It had been intended to set the bomb off at the stroke of midnight, but it was accidentally jarred and exploded. Doctors said the man and his son may not survive their injuries.—United Press.

Occupation Ghetto In Shanghai

Jews Have Right To Claim Restitution

Berlin, Dec. 31.
A West Berlin Court today ruled that German Jews who were forced to live in the Nazi-run Shanghai ghetto could claim restitution from the present German authorities.

It decided that though the ghetto was set up during the Japanese occupation, it was established on the orders of the German Nazi authorities.
The ruling was given when Ernest Schimmelfiedt, a West Berlin Jewish businessman who has sued against the West Berlin City Government for the payment of 4,100 marks as restitution for having had to live in the ghetto.

All Germans sent to prison or concentration camps during the Nazi regime for racial, religious and political reasons can make restitution claims on the new German State according to a West German law, which is also valid in West Berlin.—Reuter.

REPARATIONS ISSUE

Tel-Aviv, Dec. 31.
The question of reparations from Germany will come up before the Israeli Parliament next Wednesday when the Israeli Government is expected to make it clear that the chances are high of getting reparations from the West German Government, but only provided Israel agreed to hold direct negotiations.

The attitude of the Opposition Parties from Left to Right remained against all direct contact with the Germans, and the Right Wing Herut Party even considered a nationwide plebiscite on the question of contact with Germany.

German questions might even split the coalition. It was thought here, as leading personalities of the so-called religious bloc were against all negotiations with Bonn.
Street propaganda posters and demonstrations against contact with a murderous nation which killed six million Jews contributed to the political tension here. Even in Premier Ben-Gurion's Mapai Party opinions were said to be divided.—France-Press.

FOUR NEW VISCOUNTS CREATED

Wartime Ministers Honoured Lengthy List Of New Year Honours For Malaya

London, Jan. 1.

Mr Brendan Bracken, Minister of Information from 1941 to 1945; Sir Archibald Sinclair, Secretary of State for Air in the War Cabinet; Sir John Anderson, former Governor of Bengal and wartime Home Secretary and Chancellor of the Exchequer, have been created Viscounts in the New Year Honours List.

Mr Bracken recently announced his intention to resign from the House of Commons owing to ill-health.

A fourth person to be made Viscount is Mr. Robert Spear Hudson, M.P.

Miss Anna Neagle, recently named the most popular British or International actress, is made a Commander of the British Empire.

So is Miss Flora Robson, a veteran of screen and stage in Britain.

In addition to the four new Viscounts, today's Honours list confers a Baroncy on Lord Winterton, "father" (or, indeed, member) of the House of Commons until his retirement before the last General Election.

General Sir Brian Robertson, Commander-in-Chief of Land Forces in the Middle East, is created a Knight Grand Cross of the Order of the Bath. The Far Eastern section of the Honours List is dominated by Malaya, with the K.B.E. (Knight Commander of the Order of the British Empire) awarded to Lieut-General Sir Harold Briggs, former Director of Operations against Communist terrorists in Malaya, and Mr Tan Cheng Lock, C.B.E., the latter for public services in the Federation.

Dr George Vance Allen, Vice-Chancellor of the University of Malaya, becomes a Knight Bachelor.

Another new Knight Bachelor is Mr Ivor Llewellyn Brace, Chief Justice of the Supreme Court of Sarawak, North Borneo and Brunei. Mr Anthony Abell, Governor and Commander-in-Chief of Sarawak, is made a Knight Commander of the Order of St Michael and St George (K.C.M.G.).

Other awards of Far Eastern interest are:

ONE CMG

Mr Edward Victor Grace Day, British Adviser in Kedah, Malaya.

THE C.B.E.

Mr James Chappell, for public services in Malaya; Mr William Charles Stewart Cory, British Adviser in Pahang, Malaya;

Mr George Ormsby Higgins, lately Managing Director of Sarawak Oilfields, Limited;

Mr William Wegener, lately Chief mechanical engineer of Malayan Railways.

O.B.E. (MILITARY)

Commander George Bayly, V.D., Royal Naval Volunteer Reserve, Singapore;

Lieut-Colonel Herbert Rae, Commanding Officer, Singapore Volunteer Corps.

O.B.E. (CIVIL)

Mr Trelawney William Tabrum Bangs, for public services in Malaya;

Mr Michael Louis Bernacchi, Acting District Officer, Kinta, Perak, Malaya;

Mr Richard Neville Broome, M.C., Malayan Civil Service;

Mr John Cunningham-Brown, Commissioner of Lands and Mines and Johore State Resettlement Officer, Malaya;

Mr Chian Tian Joo, for public services in North Borneo;

Mr Hubert Earnshaw, Director of Education, Sarawak;

Mr Alexander Graham, Surveyor-General of Ships, Singapore;

Mr Arthur Humphrey, Acting Principal Assistant Secretary, Malaya;

Mr Oliver Wolters, Malayan Civil Service.

HONORARY O.B.E.

Mr Siew Khai Wye, Chinese Assistant to Secretary for Chinese Affairs, Malaya;

Mr Tay Koh Yat, for public services in Singapore.

THE M.B.E.

Mohamed Ali Bin Mohamed, Inspector of Malaya Schools, Selangor, Malaya;

Mr Awang Bin Haji Hanaf, for public services in Brunei;

Mr Cheng Hui Ming (alias Homer Cheng), Assistant to Secretary for Chinese Affairs, Singapore;

Mr John Craddock, District Officer, Batang, Padang, Perak, Malaya;

Mr John Nyak Lee, Intely Assistant Education Officer in North Borneo;

Mr Ian Beaumont Mendel, District Officer, Temerloh, Pahang, Malaya;

Mr Louis Petr Paul, Assistant Controller of Immigration, Malaya;

Miss Mary Eugenie Pickering (Mother Eugenie), Mother Superior of St Francis Convent, Jesselton, North Borneo;

Mr Charles Gerald Watts, Social Welfare Officer, Malaya;

Mr Yap Pheng Gock, for public services in Singapore;

Datu Abang Zin, Native Officer, Sarawak Civil Service.

HONORARY M.B.E.

Abdul Aziz Bin Ismail, Resettlement Officer, Malaya;

Mr Paul Choon Tai, Treasury Cashier, Sandakan, North Borneo.

THE B.E.M.

Mr Low Yow Choon, Labour Officer, Perak, Malaya;

Mr Wan Bin Haji Ismail, Mobile Public Address Unit, Perak;

Mr Loong Nam Chew, Member of Home Guard Committee, Bentong, Malaya;

Mr Wan Abdullah Bin Wan Chik, Pengulu of Mukim Telang, Pahang;

Mr Mathvaganam Sabaratnam, Public Works Department, Malaya;

Mr Chow Yoke Sow, Resettlement Supervisor, Selangor, Malaya;

Mr Lam Tek Kan, Chinese Liaison Officer, Kuala Senai, Johore;

Mr Usang Bin Sumbit Murut, village of Pohan Batu, North Borneo;

KING'S POLICE MEDAL
Superintendent Charles Godwin, Malaya.

The following members of the Federation of Malaya Police Force and Auxiliary Police Force are awarded the Colditz Police Medal:

Assistant Superintendent Mohamed Arif Bin Darus,

Lieut Peter Bjorkman, Cadet Richard Buxton,

Honorary Inspector Charles Haddon-Cave,

Alfred William Crofts (Director of Music),

Assistant Superintendent Ernest de Val,

Honorary Superintendent Harry Dimoline,

Superintendent Vaughan Powell-Evans,

Assistant Superintendent William Hillier,

Assistant Superintendent Wan Ibrahim Bin Wan Mohamed Isa,

Superintendent Cecil Kirke,

Honorary Assistant Superintendent Roy Kirkpatrick,

Honorary Inspector Henry Lucy,

Lieut. Thomas MacIntyre, Superintendent Guy Madoc,

Superintendent Jack Masfield, Superintendent Arthur Milton,

Lieut. Walter Morrow, Assistant Edward Morrow,

Assistant Superintendent Mohamed Naik Bin Haji Mohamed Yusoff,

Honorary Inspector Desmond Nowman,

Sergeant Ohman Bin Mohamed Hassan,

Honorary Inspector Hugh Puckridge,

Honorary Inspector Alex Rodgers,

Honorary Assistant Superintendent Too Joon Hing,

Inspector Tala Kong Nam,

BOAC Has A Record Year

London, Dec. 31.
Britain's State-owned airline, the British Overseas Airways Corporation, flew 46 per cent more passenger miles in 1951 than in 1950. It was announced today.

It was a record year for the Corporation, with almost 31 per cent more passengers and more than 12 per cent more cargo carried than last year.

BOAC planes flew 762,351,400 passenger miles in the year, compared with 525,296,148 in 1950. They carried 237,400 passengers against 161,478 last year, and 8,780 short tons of cargo against 7,152 short tons last year.—Reuter.

STALIN'S MESSAGE TO JAPAN

Tokyo, Jan. 1.
Soviet Premier Josef Stalin in a special message to the Japanese people today hoped they would achieve "perfect success in their own courageous struggle for their own independence."

Stalin's message was prepared in response to Kyodo News Agency's request for a New Year's statement, and was received on Tuesday morning from the Soviet Diplomatic Mission in Tokyo.

The translation from the Japanese version circulated by Kyodo said that "as a Soviet politician the Premier is not accustomed to expressing his sentiments towards foreign people."

"However," Stalin continued, "because the Soviet people feel a deep sympathy with the Japanese people who have fallen into an unfortunate situation under foreign occupation, I venture to depart from all precedents."

I request you to convey my desire for the Japanese people's freedom and welfare as well as for perfect success in their own courageous struggle for their own independence.

"The Soviet people fully understand the sufferings of the Japanese people and at the same time believe the Japanese people will achieve their own rehabilitation and independence as did the Soviet People."—United Press.

"Kenya" In Calcutta

Calcutta, Dec. 31.
H.M.S. Kenya, flying the flag of Vice-Admiral Sir Geoffrey Wigley, C.B., British Commander-in-Chief East Indies, has arrived here on a one-week goodwill visit.—Reuter.

Sergeant Abdul Wahab Bin Haji Din,

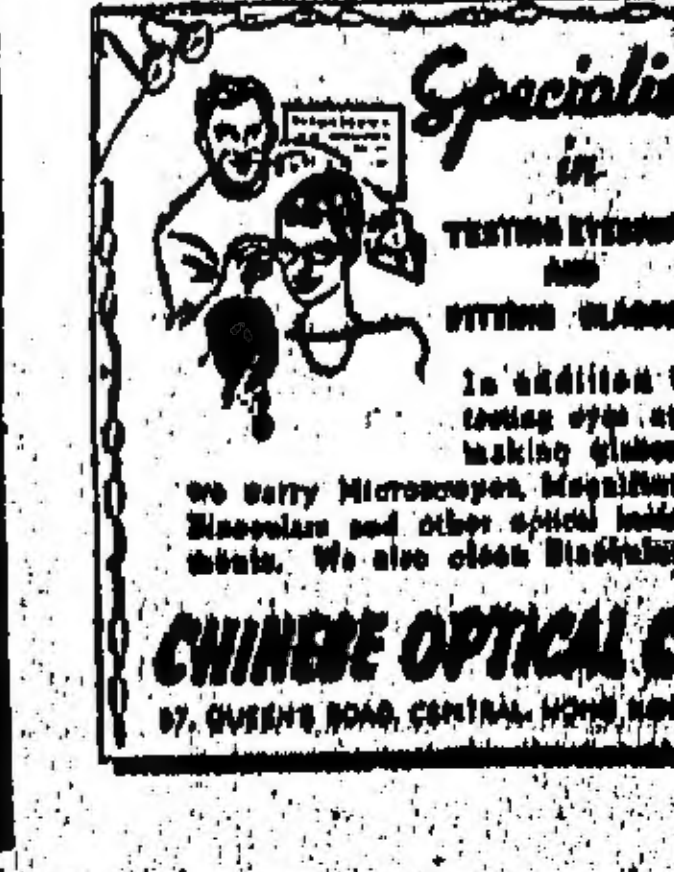
Assistant Superintendent Tohku Mohamed Yusoff Bin Sultan Mohamed IV,

Singapore Police Force Assistant Superintendent Andrew Frew, and

Assistant Superintendent George Minns.

Ceylon receives two knights, which go to Volpilla Comarawamy, C.M.G., Deputy High Commissioner in Britain, and Lalith Abhayaratne, K.C., the Minister of Justice.—Reuter.

POP



200 Drowned In River Disaster

Rangoon, Dec. 31.
Over 200 were feared drowned when a boat capsized in the Salween River near Moulmein, 150 mile east of Rangoon, according to reports reaching here.
The cause of the disaster was not reported.
—Reuter.

Alleged Incident In Tokyo

Tokyo, Dec. 31.
The Australian Army Minister, Mr. Joseph Francis, tonight issued the following statement:

"I am informed that statements have been published in Australia that I was involved in a 'scandal' concerning a photograph in which the Russian Ambassador and myself were alleged to have appeared. So that the matter can be placed beyond doubt, I merely wish to state the following facts:

"I did not meet the Russian Ambassador at an Australian Embassy party. I did meet him at a party given by the Commander-in-Chief of the British Commonwealth Forces in Korea and Japan, on December 21. I also met the diplomatic representative of a number of other countries, including Australia, the United Kingdom, China, the Philippines, Belgium, Canada, France, the Netherlands, Brazil, Denmark, Indonesia, Italy, Portugal, Spain, Sweden, Switzerland, Thailand and Turkey.

"At one stage an official Army photographer took a picture in which I appeared in a group of diplomatic and Service representatives, including those from South Africa, New Zealand, the United States, the United Kingdom, Australia and Soviet Russia.

"Following the taking of the photograph there was no 'scandal'. The fact that I was in the photograph was in accordance with normal usage in diplomatic international relations."

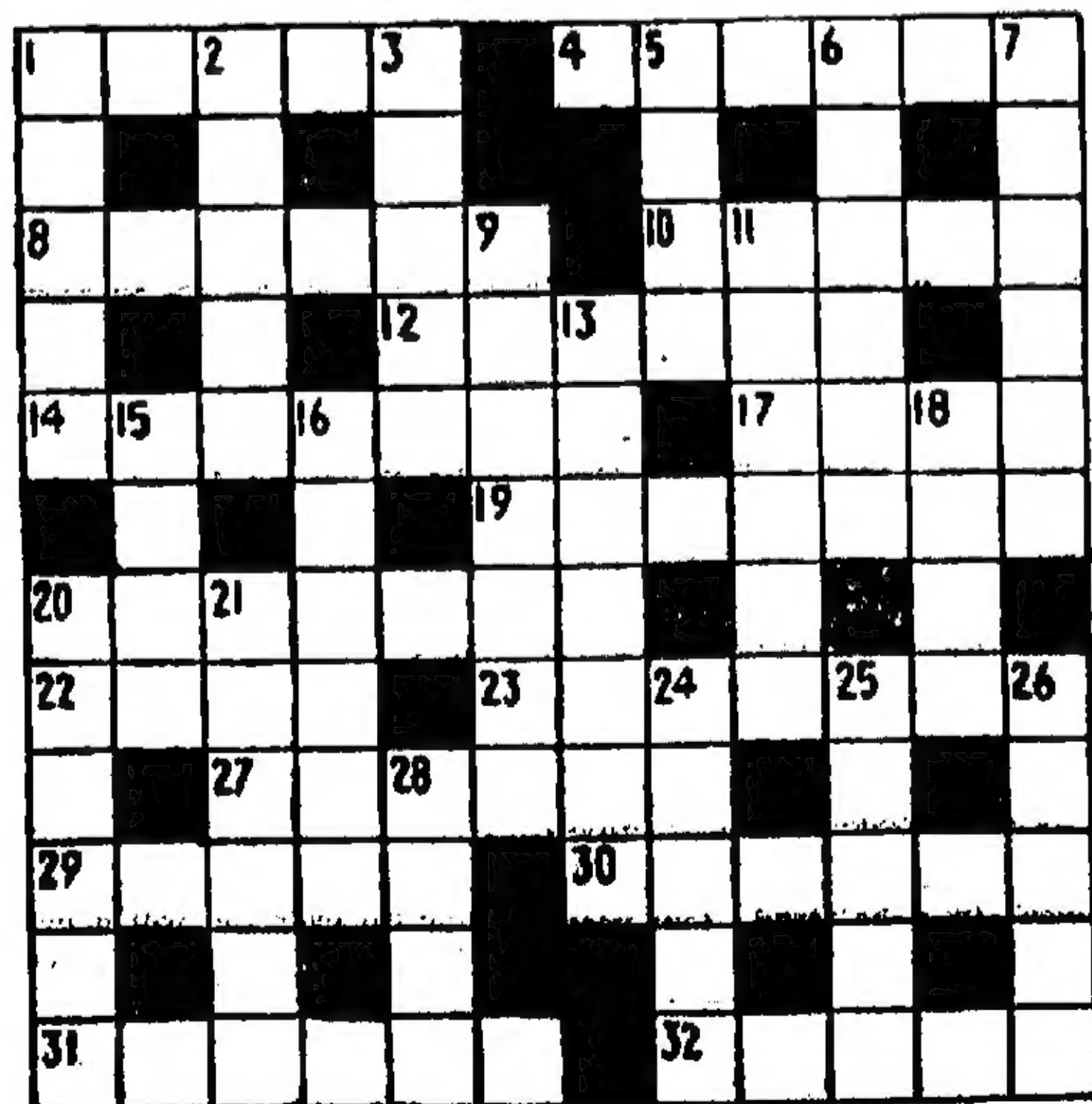
"Mr. Francis continued: 'If I felt that at this juncture when the most delicate negotiations are in progress for an armistice in Korea, that any misinterpretation based on incorrect information should be promptly dispelled.'

"Reuter in Tokyo understands an excellent authority that the photograph mentioned was confiscated on the Minister's order. —Reuter.

Dies In Senate

Cairo, Dec. 31.
Egyptian Senator Mohammed Salem Ghorry collapsed and died of heart failure at a meeting of the Senate this afternoon. —Reuter.

A British Crossword Puzzle



ACROSS

- 1 Load (5).
- 4 Pure (6).
- 5 Flag (5).
- 10 French (5).
- 12 Calm (6).
- 14 Accomplish (7).
- 17 Abound (4).
- 19 Crime (7).
- 20 Pleasant (7).
- 22 Pealed (4).
- 23 Beam (7).
- 27 Talk (5).
- 28 Expunge (5).
- 30 Birds (6).
- 31 International agreement (8).
- 32 Teacher (5).

DOWN

- 1 Snake (5).
- 2 Cattle farm (5).
- 3 Fat (5).
- 5 Confess (4).
- 6 Material (6).
- 7 Dig up (6).
- 8 Rebels (7).
- 11 Indivisible (6).
- 13 Arbitrator (7).
- 15 Super (4).
- 16 Ecclesiastes (6).
- 18 Repetition of sound (4).
- 20 Zealous (6).
- 21 Mad (5).
- 24 Make suitable (5).
- 25 Measure (5).
- 26 Skimmed (5).
- 30 Clever (4).

MONDAY'S CROSSWORD ANSWERS: Across: 1. Load, 4. Pure, 5. Flag, 10. French, 12. Calm, 14. Accomplish, 17. Abound, 19. Crime, 20. Pleasant, 22. Pealed, 23. Beam, 27. Talk, 28. Expunge, 30. Birds, 31. International agreement, 32. Teacher. Down: 1. Snake, 2. Cattle farm, 3. Fat, 5. Confess, 6. Material, 7. Dig up, 8. Rebels, 11. Indivisible, 13. Arbitrator, 15. Super, 16. Ecclesiastes, 18. Repetition of sound, 20. Zealous, 21. Mad, 24. Make suitable, 25. Measure, 26. Skimmed, 30. Clever.

SWEDES IN UK CELEBRATE



Swedish men, women and children, in national dress, arriving at the Christmas Fair at the Swedish Hall in London in aid of the Swedish Women's Relief Fund. The Fair was opened by M. Gunnar Hagglot, Swedish Ambassador to London. — London Express Photo.

Supreme Pontiff Looks Back On A Busy Year

Vatican City, Dec. 31.

Pope Pius XII, after receiving a few relatives and friends in his apartments in the Vatican to receive their New Year greetings, is tonight attending a Te Deum in his private chapel.

Tomorrow he will implore Divine Blessing for the New Year at Mass, when the sacred hymn, Veni Creator Spiritus, will be sung.

As 1951 drew to a close, the Pope looked back on a year of considerable work. He made 20 broadcasts and 51 other speeches dealing with such diverse subjects as banking, the theatre, statistics, social and rural problems, migration, civil marriage, sports, journalism and literary engineering.

He published three Encyclicals, including that of Pope Pius X and personally celebrated Mass twice in St. Peter's Basilica.

Among the thousands of people the Pope received in general, special and private audiences were the King and Queen of Denmark, Princess Josephine Charlotte of Belgium, the Belgian Prime Minister, Mr. Joseph Pholien, and the West German Chancellor, Dr. Konrad Adenauer. The Pope named 182 new Bishops and created a number of new Dioceses. But he did not announce the long-awaited Consistory for the appointment of new Cardinals. The College of Cardinals, whose normal complement is 70, has at present 21 vacancies. In the wake of Communist trials of Bishops and other members of the clergy the Vatican's Consistorial Congregation excommunicated those responsible in Czechoslovakia, Hungary and Rumania.

With the expulsion last September of Monsignor Antonin Riberi, the Internuncio from Communist China, all countries within the Russian sphere of influence are now without diplomatic representatives from the Vatican.

RECORD OF 1951

The Vatican newspaper, Osservatore Romano, announced that during the year:

The Polish Communists abolished religious holidays.

The Czechoslovak Communists abolished Sundays in a new economic calendar.

The Pope had a series of visions at the time he proclaimed on November 1, 1950, the Bodily Assumption of the Virgin Mary into Heaven.

The Pope proclaimed the Archangel Gabriel patron saint of telecommunications.

The Pope permitted a German Lutheran clergyman to continue living with his wife after having been ordained a Catholic priest.

The Pope ordered the publication of a two-volume report by archaeologists establishing "with scientific certainty" that the Tomb of the Apostles Peter had been found immediately beneath the High Altar of the Basilica of St. Peter after excavations lasting 10 years. —Reuter.

While Whitehall officials shy away from talk of further American dollar loans, they admit they would like some steel and other raw materials. They would also like as much economic aid as they can get under the American Mutual Security Programme.

On the military side, Mr. Churchill can remind Truman of Britain's commitments in Germany, North Africa and the Mediterranean, the Suez Canal zone and the Middle East, Malaya and Korea.

Britain now has three divisions in Western Germany and has placed them under the command of Gen. Dwight D. Eisenhower, Supreme Commander Allied Powers in Europe (SHAPE).

Its rearmament plans call for sending another division to Germany early next year.

The biggest and most recent draft upon the nation's military resources has been the Suez Canal zone. Egypt tore up its treaties with Britain for defence of the strategic area. Britain now finds its garrison beleaguered by the attacks of armed Egyptians, organised into "liberation squads."

This giant British base sprawls along the canal, and employed thousands of Egyptian civilians as workmen to keep it running. Mos. of the Egyptians quit and Britain has moved in thousands of extra troops.

Estimates of British Army, Royal Air Force and Naval strength in the area now run from 40,000 upwards. The cost has been tremendous, but British officials decline to give any figures.

In the Mediterranean, Britain maintains military establishments at Gibraltar, and on the islands of Malta and Cyprus. Malta is the headquarters of the Mediterranean Naval Command. Cyprus has Army and R.A.F. units.

Britain also has troops and air bases in the new State of Libya, which became independent on Dec. 24. It is expected that Britain and Libya will conclude a military alliance after Libya elects a new parliament.

This country has close military ties with two Arab Kingdoms in the small desert State of Jordan, Britain maintains by a grant-in-aid of about £2,000,000 yearly, the famed Jordan Arab Legion. This crack Arab Army is sprinkled with British officers, and led by an Englishman, General Glubb Pasha.

United States Expected To Grant More Economic Aid To Great Britain

Washington, Dec. 31.

The United States is expected to announce this week that Britain will receive at least \$300,000,000 in economic aid next year.

Informed officials in close touch with the Anglo-American aid negotiations told Reuter today that it was planned to announce the aid in Washington before the Prime Minister, Mr. Winston Churchill arrives at the week-end.

This economic aid would be in addition to military aid Britain is receiving under the mutual security programme.

Authoritative sources here did not rule out the possibility that the figure would be more than \$300,000,000.

Mr. Churchill's statement that he did not intend to ask for financial help during his Washington talks with President Truman was taken here as supporting the expectation that the agreement on aid would be published before his arrival.

Aid to Britain would come out of the Mutual Security Bill funds approved last Autumn by Congress and would not require any new legislation, officials said.

It is expected that aid to Britain would be divided between direct financial assistance and aid through placement of military contracts.

But there was no indication so far of the possible proportions. Meanwhile, 81,000-ton Queen Mary, fastest liner in the world, headed into the Atlantic tonight, carrying Mr. Churchill to Washington.

Because she was two days behind schedule, the captain ordered full speed ahead. But warnings of Atlantic gales indicated that the giant liner had not yet shrugged herself free of a week of troubles.

Mr. Churchill will be taken off by a fast cutter before the liner reaches New York and rushed to Washington by plane and car to make up for the time bad luck has cost the Queen Mary — Reuter.

BRITAIN'S RECORD

London, Dec. 31.

Mr. Winston Churchill will tell President Harry Truman that Britain is braving economic collapse to help hold the front against Red aggression.

He can point out that Britain already is fighting Communism with troops sprawled across the world.

The new Conservative Prime Minister can also show that this island's contribution to the North Atlantic Treaty Organisation (NATO) is the biggest outside the United States.

For the three-year, \$4,700,000,000 rearmament drive, and the upkeep of its military forces, Britain is spending some 12 per cent of its national income.

And this drive is going forward—although Mr. Churchill admits it is lagging behind schedule—while the nation is earning less than it is spending in the world's markets. There is every sign that life in Britain will become more austere before it gets better.

WOULD LIKE AID

While Whitehall officials shy away from talk of further American dollar loans, they admit they would like some steel and other raw materials. They would also like as much economic aid as they can get under the American Mutual Security Programme.

On the military side, Mr. Churchill can remind Truman of Britain's commitments in Germany, North Africa and the Mediterranean, the Suez Canal zone and the Middle East, Malaya and Korea.

Britain also maintains a strong garrison at Hongkong.

Hongkong also is used as a transit centre and rest camp for

British troops fighting in Korea with the United Nations.

The latest figures given put 14,000 British troops in Korea. Britain has about 8,000 sailors on warships assigned to UN duty in Korean waters. A small number of R.A.F. squadrons, mostly based in Japan, are assigned to the Korean UN Command. —Associated Press.

Two hundred guests in the Grand Hotel at the Pyrenean winter sports resort of Super-Bagnères cut off since Saturday, were holding a fine party by candle light when exhausted rescuers got through to them today.

The track of the rescue party normally takes the Grand Hotel action by a 'c'.

There were guests were food, water and Rescuers toll taken to their arrived cold and weary.

They found the guests without electric light, but well supplied with food and drink, in the midst of candle light festivities.

A snow-plough got through to the hotel today. It is three and a half miles up the mountainside from Bagnères de Luçon in the Central Pyrenees. —Reuter.

Two tons of food are being daily flown to Basutoland, which is today in the grip of a severe drought—one of the worst in its history.

Combined with unseasonable frosts, many acres of crop and grazing lands have been reduced to stretches of parched veldt.

Fred Zundel, a pilot organising the airlift of food and medical supplies, said today: "Conditions in Basutoland are absolutely terrible."

Severe drought conditions also prevailed in many other parts of South Africa. —Reuter.

New York, Dec. 31.
New York dock workers, angered by the Hungarian Government's action in fining four American airmen, refused to unload a cargo of Polish hams valued at between \$350,000 and \$400,000.

"They can rot in the ship before we will take them out," the dockers said. "Why give one of those Communist countries the chance to take more American money away?"

The hams arrived in a United States freighter on Saturday. —Reuter.

Added to this, Mr. Churchill said, "there are 60,000 local police in different stages of armament and many part time auxiliaries."

Stamping out Communism in Malaya is a high priority target of Mr. Churchill's new Government. Colonial Secretary Oliver Lyttelton has just returned from a first-hand look at the problem.

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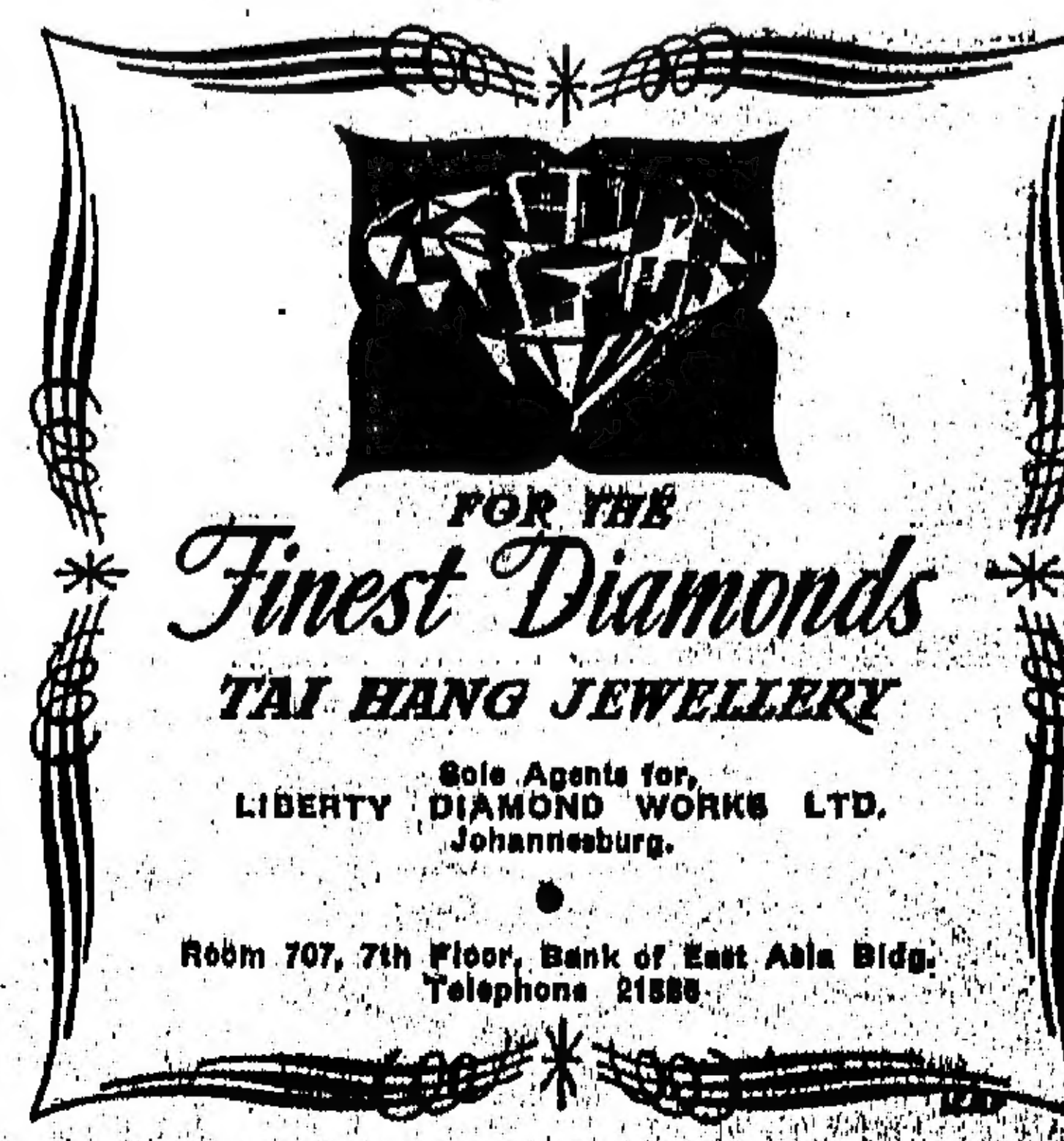
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"INCORRIGIBLE"



TO-MORROW

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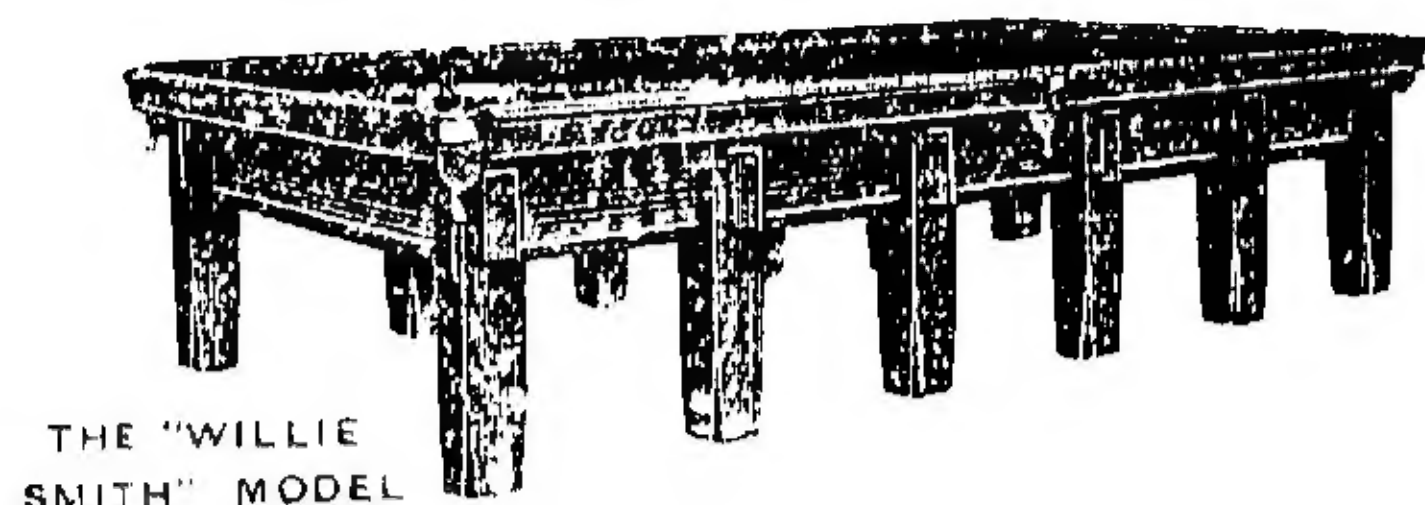


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MORE STRENGTH..... plenty of proteins
MORE STAMINA..... lots of Thiamin (Vitamin B₁)
MORE ENJOYMENT..... everybody loves that delicious flavor

SUPER BREAKFAST
IN MINUTES

Boil 2 cups of water. Add salt. When boiling, add
1 cup of Quaker Oats. Cook 10, stirring, for 2 1/2
minutes. That's all!



LOW'S CHRISTMAS PANTO

Throughout the world considerable speculation has arisen since the return of Winston Churchill on whether Britain's policy towards various foreign problems would change. His current trip to the U.S. to confer with President Truman also arouses interest. In a series of brief articles David Temple Roberts gives some indications and guidance from Whitehall on the trends of British policy.

NO CHANGE IN OUR CHINA POLICY

By David Temple Roberts

LONDON. THOSE Americans who believe the British recognition of the Peking Government was due to some mystical affinity between pale-pink Attlee and off-red Mao Tse-tung are due to be surprised when they discover that Winston Churchill intends no change in the formal diplomatic policy of Britain toward the Chinese Communist Government.

British policy towards China is, essentially, a Foreign Office policy. It was not fabricated in a socialist wonderland. Like all Foreign Office policies it was based on certain calculations of considerable subtlety.

Briefly, they were as follows: the Soviet Union cannot readily make China a satellite country. But, in the short term, non-recognition by the Western world would make it easier for Moscow to dominate Peking and to pose as the only friend of Peking. And looking ahead many years it is clear that China will become a wealthy and powerful state, partially industrialised, that may forge ahead more quickly than, and ultimately dominate, the Soviet Union.

Most influential

Recognition, however it was received in Peking, was regarded as a diplomatic move to open the way to eventual co-operation. Nothing that has happened since has radically changed the opinion of the experts on the way future power relations in the Far East will develop.

China is likely to be the most influential country in all Asia, and British interests demand that Britain should eventually seek a sort of con-

cordat with Peking to protect those interests. This is a policy strictly parallel to that adopted by Britain to every strong Chinese Empire in history.

The differences between Conservatives and Socialists come rather in the realm of prejudice than of ideas. Conservatives regard the Korean war more as a patriotic task—the Labour party rates it more an unhappy necessity. Both parties are agreed that the war must be ended before further steps can be made to seat a representative of the Peking Government at the United Nations. At the current meeting of the Assembly in Paris certain tentative efforts by Sardar Pannikar of the Indian delegation have been suppressed as premature—suppressed under British influence.

Shipping of weight

But it will not be long after a Korean armistice before Britain again at least passively assists the entry of China to U.N. This is in accordance with British long-range policy. Britain requires the entry of all effective powers to U.N.—including Japan, Germany and Italy. Germany is not united; Italy is excluded by the Soviet veto; Japan is heretofore unopposed, but would also be opposed by Russia.

At present China is represented by the Taipei Government, and that representative is maintained by the U.S. In the British view the time will come for shifting of weight. The Conservatives, who have come to power, number among them hardly a single friend of Chiang Kai-shek.

Opinion here is that his forces on the island of Formosa are a declining

asset. Most of his troops are now anxious to return to their mainland homes—but not as warriors.

The strategic value of the island is not rated very highly—particularly in view of the expensive defence that is permanently necessary. At one moment, in 1948, British officials turned over a scheme for forestalling Chiang and passing Formosa back to Japan—under occupation. But the chance was missed.

Vexed question

Later it would probably be regarded as ideal that Formosa should be independently recognised and admitted to U.N. as a small power while the Peking Government should even-

tually take over the Chinese Security Council seat. But this "solution" is far from practical politics, so British policy would prefer the peaceful retirement of Chiang and the end of the Formosan incident.

The most vexed question involving present policy towards China, while the Korean war lasts, is the temptation to bomb Manchurian bases. The British answer is "Not worth it," because it would unify China and Russia.

The one hope of an easing of Far Eastern tension between China and the West is the growth of disharmony between China and Russia. That disharmony is most likely to centre on Manchurian industry and bases. Bombardment would play into Russia's hands.

TOMORROW:
What Now in Iran?

Sitting on the Fence

By . . . Nathaniel Gubbins

Mr David Eccles, the Minister of Works, was asked in the House of Commons if he could ensure that any pelicans allotted to St. James's Park, London, would include at least one of each sex.

CAST for a moment from your thoughts the martyrdom of man To contemplate the sorrows of the lonely pelican;

Beside the lake he sits and weeps, too sad, too proud to speak. A pariah among the birds, self-conscious of his beak.

No hen among the haughty swans would even turn to peck

At any face which bore a nose far longer than her neck;

No jolly duck, no pea hen proud, no bird of love or song

Would pause except to mock a nose full eighteen inches long.

Until the right girl comes his way the pelican must wait Alone, derided, scorned, unloved, frustrated, celibate; The tears that fall so fast and far shall never yet be dried Until a girl with nose as long shall be his blushing bride.

For then the happy pelican no longer strange, alone Shall see the beauty of a beak exactly like his own His dearest dream as he reclines upon his bed of roses Shall be some little pelicans with even longer noses.

Red menace

AFTER reading that those responsible for the production of the play "Mary Had a Little Lamb" thought that its bad reception was due to a Communist plot, I feel I can now believe almost anything.

For instance, there was the news that migratory swallows have brought foot-and-mouth disease here, causing 5,000 cattle to be slaughtered.

Were they inoculated with the disease in Moscow and sent off from the Red Square with massed bands playing and thousands of devil worshippers carrying a giant picture of Stalin smiling inscrutably behind his famous ingrowing moustache Tovaritch?

And what is their secret method of passing the disease on to the cattle; and who taught them how to do it?

Although nobody would suspect Mr. Shinnell of being a Communist, who was the secret agent who suggested to him the idea of enlisting women in the Home Guard?

The primary reason for joining the Home Guard in 1940 was undoubtedly patriotism. But there was another reason for preferring it to Civil Defence; thousands of men preferred to join the Home Guard for the

Fashion note

"You're always all right in navy and white."—Mrs. Bessie Braddock, M.P., according to fashion writer at a parade at the Dorchester Hotel, London.

SOMETIMES when I'm going to a party, I never know what I should wear. Me pink or me blue or me yellow.

Or how they will go with me hair. For if pink never goes with a red head And saxe blue is death to a blonde

You're always all right in a navy and white (Of navy and white I am fond) You're always all right in navy and white

If you're red-headed, mousey or blonde. I try on a hat with a feather What's known as a feather cockade;

I try on a smock or a bold Robin Hood By the Co-op Society made. Sometimes they are blue or they're yellow

Sometimes they are pink velvet, But they always look right with navy and white

If they're yellow, they're blue or they're green With lady-like navy and lady-like white

You can even wear pink velvet. A girl what is brunette and tall Should never wear neutrals or beige;

An ash blonde looks dead in letter-box red And a mousey girl grisly in sage.

But a girl she can always box clever A girl can come up to the scratch She'll always be right in navy and white

With a navy blue handbag to match— In lady-like navy and lady-like white With navy blue handbag to match. —(London Express Service)

HE WANTS TO GIVE AWAY MILLIONS

NEW YORK. WHEN he hurries out of his modest suburban flat at 8.30 every morning, briefcase under arm, 42-year-old Dean Rusk does not look at all the part of the man with millions to give away. But that is what he is soon to become when he gives up his \$5,300-a-year job in the State Department—America's Foreign Office—to take over the management of the world-wide Rockefeller Foundation, America's greatest Arabian Nights give-away concern.



DEAN RUSK
Salary a secret.

by Frederick COOK

Rusk is to lead the staff of 180 men and women here in New York, and 50 odd more overseas who spend a harried life wrestling every day with the problem of how to give money away. A golden cascade pours down ceaselessly upon them from the nice fat block of the world's best investments left to them by old John D. Rockefeller.

Rusk is to be paid for doing it as are all the staff—though none of the 21 trustees who "make policy" get a penny for doing it.

Just what Rusk's salary will be is a secret, but it is widely understood here to be at least double his State Department pay cheque. Whatever it is, the Rockefeller Foundation is so incredibly rich that it could

keep Rusk comfortably out of the petty cash box.

Down in Virginia where Rusk lives, the suburban life with his blonde thirty-year-old wife and their three bright young-sters (David, 11, Dickie, 5, and curly-haired charmer, Margaret, Elizabeth, just 3), he is the neighbourly guy, "It couldn't have happened to a nicer guy."

For Rusk is popular despite the undercoat of Oxford accent that still sometimes makes him

way up through the soft Georgia drawl that is his by right of birth. (The Oxford accent a legacy from his days at St. John's as a Rhodes scholar).

To his neighbours Rusk is always "Hi there Dean."

Rusk tolerates no chauffeur despite his lofty position in the State Department—where he looks after Far Eastern affairs. He drives himself to work in a battered, four-year-old blue Ford, a shapeless car hat jammed down on his fast-balding head.

★

When he walks into the 55th floor headquarters of the Rockefeller Foundation in New York, his window will look down on a hefty segment of the Rockefeller Empire (Rockefeller Centre, Rockefeller Plaza, Radio City, and the towering 70-floor RCA Building). He will find waiting for him financial deals of gigantic size.

The Rockefeller Foundation started in 1913 with the modest capital of \$200,000,000 (and three and ninepence). Since then it has doled out \$134,392,184 (and three and twopenny)—and it still has some scores of millions sterling firmly in hand.

Secret of the trick of course is that the original endowment

has flourished in a way to make the green bay tree positively barren by comparison.

And still the flood of money pours in, getting wider and deeper with every passing year.

★

What ideas have the Foundation for getting rid of some of it? An amazing variety—and new ones come in from people all over the world every year (chiefly featuring their own pet projects).

In 1950 the Foundation gave close on \$5,000,000 to enterprises all over the world.

The fight against malaria in Sardinia got its cut. A New York study of viruses came in for a share. There was money for South American agriculture, for studies into how to keep old people happy; for sanitary work in Yugoslavia and Chile.

There was even \$2,000,000 or so to help all American University teach young men all about Russia. (More than 100 of these men, by the way, are now employed "in the service of the U.S.A." which is as far as the authorities will go.)

The man with millions to give away is going to have his hands full. But he does not intend to switch to big cigars. He will stay with his cigarettes—40 one and five-pence for 20.

DUMB-BELLS

THAT'S A PHOTO OF ONE OF ME BATHING PERMITTED AT CANANES, A LITTLE OVEREXPOSED LATITUDE AT THE FRENCH RESORT.



JACOBY ON BRIDGE

Don't Go Overboard: It May Be Costly

NORTH (D) 13	
AK763	EA8
987	QJ103
AKQ7	95432
84	10683

WEST EAST	
AK763	EA8
987	QJ103
AKQ7	95432
84	10683

SOUTH	
Q109862	
A42	
8	
952	

East-West vul.			
North	East	South	West
1 ♠	Pass	1 ♠	Pass
2 ♠	Pass	2 ♠	Pass
3 ♠	Pass	4 ♠	Double
Pass	Pass	Pass	Pass

Opening lead—♦ K

By OSWALD JACOBY

WEST doubled four spades in the hand shown today because he didn't like the sound of the bidding. The opponents had crawled up to their game contract with great uncertainty, but there was a fair chance that they were overboard, and practically no chance that either of them could afford a redouble.

If West opened a heart, South would have been set without any trouble. Not being clairvoyant, West opened the king of diamonds. He then continued with the queen of diamonds, and South ruffed.

At this point the contract was cold. If South merely played it properly, but South was sure that West had the king of trumps, for his double, and he wanted to ruff West of the annoying habit of doubling him.

South therefore finessed dummy's jack of trumps. The finesse succeeded, and South thereby lost the contract.

Declaring quite properly took dummy's ace of trumps next but then had the problem of getting back to his hand to draw the rest of the trumps. He couldn't afford to ruff another diamond since that would reduce him to the same number of trumps as West, and West would be able to lead still another diamond when he got in with the king of trumps. South therefore had to get to his hand with the ace of hearts to knock out West's king of spades.

Now West could lead a heart, and East had two heart tricks to set the contract. Of course West was not cured of doubling by this fortunate result.

After ruffing the second diamond, South should have led a trump to dummy's ace, discharging the menace. He could then overtake dummy's jack of trumps with his own queen, forcing out West's king. Nothing could prevent him from ruffing the lead with the ace of hearts to draw the rest of the trumps. Then dummy's clubs would furnish enough tricks to make the contract with an overtrick.

CARD Sense

Q—With East-West vulnerable, the bidding has been:
West North East South
1 Heart Pass
2 Heart Pass
3 Heart Pass
4 Heart Pass
5 Heart Pass
6 Heart Pass
7 Heart Pass
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96 Heart Pass
97 Heart Pass
98 Heart Pass
99 Heart Pass
100 Heart Pass

You, South, hold: Spades Q-J-9-7-2, Heart 3, Diamonds K-Q-J-8-4-3, Clubs A-10. What do you do?

A—Bid one spade. The hand is strong enough to reopen the bidding, but it is ill suited to defensive play. If you reopen with a double, your partner may make a doubtful penalty pass. If you reopen with a suit bid, and your partner subsequently doubts the opponents, he knows that he cannot exact an ideal defensive hand from you.

TODAY'S QUESTION

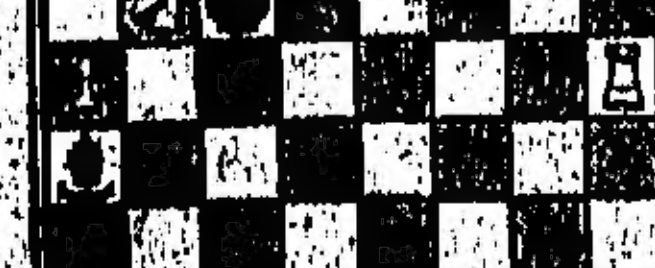
The bidding is the same as in the question just answered. You, South, hold: Spades A-Q-J-9-7-2, Heart 3, Diamonds K-Q-J-8-4-3, Clubs A-10. What do you do?

Answer Tomorrow

CHESS PROBLEM

By M. BARULIN

Black, 6 pieces.



White, 6 pieces.

White to play; mate in two.

Solution to Monday's problem:

1. K-K5, any; 2. K-K6 (if 1. K-K5, 2. K-K6, 3. K-K7, 4. K-K8, 5. K-K9, 6. K-K10, 7. K-K11, 8. K-K12, 9. K-K13, 10. K-K14, 11. K-K15, 12. K-K16, 13. K-K17, 14. K-K18, 15. K-K19, 16. K-K20, 17. K-K21, 18. K-K22, 19. K-K23, 20. K-K24, 21. K-K25, 22. K-K26, 23. K-K27, 24. K-K28, 25. K-K29, 26. K-K30, 27. K-K31, 28. K-K32, 29. K-K33, 30. K-K34, 31. K-K35, 32. K-K36, 33. K-K37, 34. K-K38, 35. K-K39, 36. K-K40, 37. K-K41, 38. K-K42, 39. K-K43, 40. K-K44, 41. K-K45, 42. K-K46, 43. K-K47, 44. K-K48, 45. K-K49, 46. K-K50, 47. K-K51, 48. K-K52, 49. K-K53, 50. K-K54, 51. K-K55, 52. K-K56, 53. K-K57, 54. K-K58, 55. K-K59, 56. K-K60, 57. K-K61, 58. K-K62, 59. K-K63, 60. K-K64, 61. K-K65, 62. K-K66, 63. K-K67, 64. K-K68, 65. K-K69, 66. K-K70, 67. K-K71, 68. K-K72, 69. K-K73, 70. K-K74, 71. K-K75, 72. K-K76, 73. K-K77, 74. K-K78, 75. K-K79, 76. K-K80, 77. K-K81, 78. K-K82, 79. K-K83, 80. K-K84, 81. K-K85, 82. K-K86, 83. K-K87, 84. K-K88, 85. K-K89, 86. K-K90, 87. K-K91, 88. K-K92, 89. K-K93, 90. K-K94, 91. K-K95, 92. K-K96, 93. K-K97, 94. K-K98, 95. K-K99, 96. K-K100, 97. K-K101, 98. K-K102, 99. K-K103, 100. K-K104, 101. K-K105, 102. K-K106, 103. K-K107, 104. K-K108, 105. K-K109, 106. K-K110, 107. K-K111, 108. K-K112, 109. K-K113, 110. K-K114, 111. K-K115, 112. K-K116, 113. K-K117, 114. K-K118, 115. K-K119, 116. K-K120, 117. K-K121, 118. K-K122, 119. K-K123, 120. K-K124, 121. K-K125, 122. K-K126, 123. K-K127, 124. K-K128, 125. K-K129, 126. K-K130, 127. K-K131, 128. K-K132, 129. K-K133, 130. K-K134, 131. K-K135, 132. K-K136, 133. K-K137, 134. K-K138, 135. K-K139, 136. K-K140, 137. K-K141, 138. K-K142, 139. K-K143, 140. K-K144, 141. K-K145, 142. K-K146, 143. K-K147, 144. K-K148, 145. K-K149, 146. K-K150, 147. K-K151, 148. K-K152, 149. K-K153, 150. K-K154, 151. K-K155, 152. K-K156, 153. K-K157, 154. K-K158, 155. K-K159, 156. K-K160, 157. K-K161, 158. K-K162, 159. K-K163, 160. K-K164, 161. K-K165, 162. K-K166, 163. K-K167, 164. K-K168, 165. K-K169, 166. K-K170, 167. K-K171, 168. 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K-K704, 701. K-K705, 702. K-K706, 703. K-K707, 704. K-K708, 705. K-K709, 706. K-K710, 707. K-K711, 708. K-K712, 709. K-K713, 710. K-K714, 711. K-K715, 712. K-K716, 713. K-K717, 714. K-K718, 715. K-K719, 716. K-K720, 717. K-K721, 718. K-K722, 719. K-K723, 720. K-K724, 721. K-K725, 722. K-K726, 723. K-K727, 724. K-K728, 725. K-K729, 726. K-K730, 727. K-K731, 728. K-K732, 729. K-K733, 730. K-K734, 731. K-K735, 732. K-K736, 733. K-K737, 734. K-K738, 735. K-K739, 736. K-K740, 737. K-K741, 738. K-K742, 739. K-K743, 740. K-K744, 741. K-K745, 742. K-K746, 743. K-K747, 744. K-K748, 745. K-K749, 746. K-K750, 747. K-K751, 748. K-K752, 749. K-K753, 750. K-K754, 751. K-K755, 752. K-K756, 753. K-K757, 754. K-K758, 755. K-K759, 756. K-K760, 757. K-K761, 758. K-K762, 759. K-K763, 760. K-K764, 761. K-K765, 762. K-K766, 763. K-K767, 764. K-K768, 765. K-K769, 766. K-K770, 767. K-K771, 768. K-K772, 769. K-K773, 770. K-K774, 771. K-K775, 772. K-K776, 773. K-K777, 774. K-K778, 775. K-K779, 776. 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THE GAMBOOLS



C.H. Renfrew Rides The New Year In With Three Winners

By "EMMO"

A dead heat in the last race and four close finishes for first place, for which the camera had to be called in to decide, featured the First Race Meeting of the Jockey Club held at Happy Valley on New Year's Day.

The principal event was the New Year Handicap for Class 2 ponies over a mile and a quarter, which was run in two sections.

In the first section, Royal's L'Arc Triomphe (C. H. Renfrew) streaked away from the field in the home stretch and won easily by many lengths.

Mr Renfrew also won the second section on Arabian Dagger (also belonging to the Royal stables) by a length and a half from L. L. L's Barbarian (H. K. Chuang).

A third major honour was secured by Mr Renfrew on Rowanglen (another Royal pony), which deadheated with T. S. Wong's Wonderful Coin (Peter Young) in the last race.

As a result, Ticket No. 31451 (which drew Rowanglen) and Ticket No. 35809 (which drew Wonderful Coin) each shared the sum of \$112,463 in the Cash Sweep. The third prize of \$24,998 went to Ticket No. 45081.

CHAMPION RIDER

For the distinction of winning the title as the 1951 champion rider, Mr Kenneth Kwok was presented with a plaque by the Hon. Sir Arthur Moore, Chairman of Stewards, just before the fifth annual year-day. Mr Kwok rode 30 winners to the tune-up of M. A. Ostroff's 28. Mr Ostroff was the 1950 Champion Jockey.

There was one major upset. Royal's A Grand Time (H. S. Chang) beat Rous's Rous (Dor S. W. Tang) by a short head in the third event to pay \$108.10 for a win ticket.

In the first section of the New Year Handicap, seven ponies lined up before the starter. L'Arc Triomphe, which won easily by many lengths led off, followed by Chief Pilot, The Lioness and Fort Knox. These latter three ponies took over the lead at different points before rounding the final bend, when L'Arc Triomphe in a powerful burst of speed overtook the field and sped home an easy winner.

Arabian Dagger won fairly comfortably the second section of the Handicap. Second was Barbarian, a length and a half behind with Jeep Lee, third, many lengths away.

On the whole the Army forward line, with improved feeling from the halves, functioned smoothly, but appeared to still lack the shooting power which could have given them at least four more goals yesterday.

DISAPPOINTING

The Non-Chinese Civilians put up a disappointing display and one player on the field did not even make an attempt, getting rid of the ball as soon as he got it. Forrow, Santos and Petrie defended stoutly, and in the forward line Santos and Pickering initiated some fine movements.

Army opened the scoring in the fifth minute of play through centre-forward Cunningham. Ten minutes later they increased the lead when Wilson nicely trapped a swinging pass from Miller and drove the ball low into the near corner of the net.

The Non-Chinese Civilians scored what proved to be their only goal in the 20th minute, when centre-forward Santos took a half pass in his stride and sent in a hard cross drive. At the interval Army led by 2-1.

Ten minutes after the resumption goalkeeper Taylor mistimed a job from Miller and the ball bounced over his head into the net. Fifteen minutes later Army obtained their best goal of the evening as a result of a beautiful combined move.

Receiving a pass from one of the halves, Miller tipped it forward to Cunningham who in turn deflected it first-time to right-wing Davey who ran in and gave Taylor no chance. Just before the end, Cunningham manoeuvred himself into the open space, took a forward pass from Miller and cross-drove for the fifth and final goal.

THE TEAMS

Army: Bourton; Etheridge, Kirkland, Churchill, Tennell, Yorke, Davey, Miller, Cunningham, Wilson, Thompson.

Non-Chinese Civilians: Taylor; Rumbelow, Strange; Petrie, Forrow, Santos; Toledo, Pickering, Santos, MacDonald, Castilho.

HKCC Near Enough To The Championship

Hongkong Cricket Club came near enough to winning the Quadrangular Tournament Championship yesterday when they beat the Royal Air Force by 109 runs at Chater Road. Their remaining opponents are Royal Navy.

Noel Arthy's 140 runs in 145 minutes, which included 22 fours, helped the HKCC to a total of 241 for four wickets. A bright knock of 51 by Alec Pearce, which included a six off Ball, also contributed.

The Cricket Club turned out a nine-star side, the strongest they have turned out in months and more than a match for Roy Kingsford's five-star RAF outfit.

Kingsford retaliated by hitting George Rowe for a six, but the RAF batting machine ran out of gear with three wickets down for 52 runs. The Airman were all out, coming on to bat at 3 p.m. for 132 in 127 minutes.

On a golden wicket, George Rowe and Bob Craig proved devastating enough.

The scores were:

HKCC		
N. E. Arthy, not out	140	
L. D. Kilbee, lbw Bennion	10	
T. A. Pearce, b. Bennion	51	
G. T. Rowe, run out	19	
H. Owen Hughes, ct. Snow	7	
b. Bennion	4	
J. B. H. Leckie, not out	10	
Extras	10	

Total (for 4 wkt. declared) 241

J. L. C. Pearce, G. H. Pritchard, R. C. Craig, T. Mahon, C. B. Connitt, did not bat.

Fall of wickets: 1/53, 2/151, 3/210, 4/237.

Bowling Analysis

F/Lt. Snow	O	M	R	W
S/Ldr. Kingsford	10	1	23	0
A/C Bennion	14	1	80	0
F/Lt. Ball	10	0	60	0
Cpl Buchanan	3	0	15	0

RAF

F/Lt. Ball, b. Mahon	0
F/Lt. Wilson, lbw Rowe	18
Sgt. Moorhouse, lbw Craig	29
S/Ldr. Kingsford, b. Rowe	40
Cpl. MacMahon, ct. Mahon	6
b. Craig	23
Cpl. Buchanan, ct. Connitt	3
b. Craig	7
A/C Bennion, lbw Rowe	1
LAC Thompson, b. Rowe	1
F/Lt. Snow, b. Craig	0
AC Jackson, not out	0
Extras	5

Total 132

Fall of wickets: 1/1, 2/48, 3/52, 4/86, 5/114, 6/124, 7/124, 8/125, 9/132, 10/132.

Bowling Analysis

Mahon	O	M	R	W
Connitt	5	1	24	1
Rowe	10	3	30	0
Craig	5	4	26	4
Extras	10	0	47	5

Thunderbolt, 155, C. L. Liu 20744 12997
Thunderbolt, 134, Yen 762 875
Ching-lan, 134, Yen 762 875
T. P. Wong, 151, M. B. Y. 548 443
Uncle Willie, 142, T. L. 15289 7978
Wonderful Coin, 153, Peter Young 8044 5311
Xerxes, 150, V. H. Oliveira 2795 3087

CASH SWEEPS

RACE NO. 1		
No. 2801	.....	\$ 2667
No. 1798	.....	1,136
No. 3916	.....	508
Unplaced ponies (\$100 each) Nos. 242, 3364, 138, 149, 676, 1718, 438, 2162.		

RACE NO. 2		
No. 2240	.....	\$ 4,407
No. 4989	.....	1,259
No. 4962	.....	620
Unplaced ponies (\$100 each) Nos. 4088, 3444, 2857, 1222.		

RACE NO. 3		
No. 3981	.....	\$ 4,356
No. 1553	.....	1,245
No. 4335	.....	622
Unplaced ponies (\$100 each) Nos. 6140, 1803, 1442, 6247, 237, 214, 5503.		

RACE NO. 4		
No. 2362	.....	\$ 4,350
No. 2316	.....	1,312
No. 615	.....	656
Unplaced ponies (\$100 each) Nos. 6043, 1205, 5831, 6454, 5048, 2160.		

RACE NO. 5		
No. 1982	.....	\$ 5035
No. 5011	.....	1,438
No. 615	.....	719
Unplaced ponies (\$100 each) Nos. 1010, 6231, 6367, 4023, 3597, 3032, 661.		

RACE NO. 6		
No. 4949	.....	\$ 5104
No. 4769	.....	1,450
No. 5979	.....	729
Unplaced ponies (\$100 each) Nos. 7156, 2177, 6465, 2797, 1984, 3259, 4195.		

RACE NO. 7		
No. 4367	.....	\$ 5184
No. 1572	.....	1,072
No. 66	.....	730
Unplaced ponies (\$100 each) Nos. 4314, 2993, 2693, 1034, 5054, 5048, 509, 1006, 3133.		

RACE NO. 8		
No. 2354	.....	\$ 5030
No. 5990	.....	1,008
No. 5990	.....	1,008
Unplaced ponies (\$100 each) Nos. 6337, 2160, 3446, 3076, 526, 220.		

RACE NO. 9		
No. 189	.....	\$ 5050
No. 1150	.....	1,017
No. 5831	.....	699
Unplaced ponies (\$100 each) Nos. 406, 1500, 2564, 3876, 500, 2470.		

RACE NO. 10		
No. 3143	.....	\$ 512,493
No. 6900	112,499
No. 4309	24,000
Unplaced ponies (\$100 each) Nos. 1044, 1154, 2141, 4322, 11902.		

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"RIR HAKEM"	Jan. 6	Jan. 7	N. Africa & Europe
"LA MARSEILLAISE"	Jan. 23	Jan. 26	Marseilles via Manila & Saigon
"BASTIA"	Jan. 23	Jan. 26	N. Africa & Europe
"MORTAIN"	Mar. 3	Mar. 6	N. Africa & Europe

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More Money But Less Buying Noted In America

Washington, Dec. 31.

The American public has more money than ever before, stores are jammed with goods—but buying is off. The average citizen is saving more now than he has in five years.

Secretary of Commerce Charles Sawyer reported these trends yesterday in a year-end review of the nation's economy.

AMERICAN BANKERS FOR IRAN

Washington, Dec. 31.

The World Bank announced today that two of its officials were due in Iran during the next few days to hunt for a formula to start oil flowing again.

They are Torkild Rieber, oil consultant, and Hector Prud'homme of the bank staff.

Mr. Rieber, President of the Barber Oil Corporation of New York, is a man of long experience in international oil operations. He is accompanied by his daughter, Miss Ruth Rieber, who will serve as his secretary.

"The Bank is studying the Iranian oil situation in the hope of being able to put forward a constructive proposal under which, as an interim measure, the Bank might assist in restoring oil operations in South Iran," the announcement said.

"As yet, the Bank has formulated no proposal and no proposal will be presented during the visit of the Bank representatives."

Operations have been shut down in the rich Iranian fields and the vast Abadan refinery since Iran nationalised British holdings.—Associated Press.

Trade Missions In Moscow

Moscow, Dec. 31.

With the arrival here today of a Polish trade mission, there are now eight foreign trade missions in Moscow, the other seven being Finnish, Swedish, Chinese, East German, Czech, Bulgarian and Albanian.

It was announced that the missions are negotiating for imports and exports for 1952 under long-term agreements.—Reuter.

ADVERSE TRADE FIGURES

Huge Jump In British Deficit Balance

British Cars To Be Dearer

London, Jan. 1. Britain's leading car-makers, the Nuffield organisation, today announced price rises which will make cars from £40 to £100 dearer.

History Made On Exchange

Advance In British Government Issues

London, Jan. 1. British Government stocks ended the Christmas week higher than they were the week before.

That is history. For it was only the second time since Mr. Churchill was elected that government stocks have not closed a week lower than they began it.

It is now denied that this little recovery was due to intervention of the Government stockbroker.

The only time in these gloomy weeks, it was said, that he has created his personality was on Monday, December 17, when dealings began in a big slice of coal compensation stock issued to former owners of a batch of colliery companies. He apparently wanted to set the ex-owners a fair deal and so he stood in the ring of brokers in the gilt-edged market.

There was heavy selling by the ex-owners but professional bears avoided the scene.

The modest recovery was natural and artificial. It was due mainly to buying by small investors.

WAR LOAN POPULAR War loan's popularity with small investors is rather remarkable despite the prevailing uncertainty. It now stands 26½ above its recent low of 78½.

Industrials were steady among the leaders, closing unchanged from a week ago. Their market values have lost around two or three per cent since the first of the month.

Oil shares were buoyant, all except Royal Dutch. Royal Dutch was unchanged all week at £29½, but Shell Transport, on completion of similar selling, jumped 2/6d. to 96/3d.

Japanese bonds had an indifferent week. Rises were confined to 1907's, up £1 to £105, and 1930's, up ¼ to £115. South Manchurian rose £1 to £71.

German bonds closed mostly unchanged. Dollar stocks were largely unchanged. Mining shares were over out of the picture.—United Press.

NEW YORK MARKET New York, Jan. 1. Stocks launched a traditional year-end rally late in the week and prices moved up in all major sections with utilities setting a new 20-year high.

In a short week the market declined on Monday and Wednesday and rose easily on Thursday. The rally carried into Friday's market.

The market as a whole looked better than the averages indicated. Later it made the best showing with higher earnings on some stocks.

Many operators sought stocks whose companies probably will earn more in 1952 than they did in 1951. Utilities had gains ranging from more than a point. Steels made a weak response to the avoidance of a strike. Motors ruled firm despite a sharp falling off in car production. Some metals, aircraft, mercantiles, food issues, electrical equipments and liquor issues gained somewhat.—United Press.

Oil Company's New Name

Cairo, Dec. 31.

Secony Vacuum Oil Company, which operates in Egypt, branch of the New York concern, announced today that it will change its name to Socony Vacuum Oil Company of Egypt. The change will become effective on January 1.

The new Egyptian company will be incorporated in Delaware and will maintain its managerial headquarters, board of directors and accounts in Cairo. It will assume all of the parent company's assets and operations in Egypt.

A similar step was taken earlier this year by the Anglo-Egyptian Oilfields Company which transferred its board and management from London to Cairo.—United Press.

Falling Dollar Receipts From Visible Exports

Liverpool, Dec. 17.

A record November U.K. visible export total of £253,900,000 has rightly been praised, while a proper pride has been taken in the fall in November imports by £34,000,000 to £328,800,000, says the Journal of Commerce.

But there is danger of complacency in admiration of these figures. The stark fact must be faced that the adverse visible balance of trade has jumped from £113,900,000 in the first 11 months of 1950 to £113,200,000 in the corresponding period of 1951.

Even if, as is the statistical custom, 10 per cent is deducted from imports by way of allowance for freight and insurance costs so as to bring the import and export totals on to a common footing, the visible deficit is still as high as £786,000,000, and is equivalent to £856,300,000 on an annual basis.

Invisible shipping earnings, insurance, banking and financial services, and so on, are estimated to bring in some £400,000,000 this year so that the overall balance may exceed £150,000,000.

There is no comfort in this deficit calculation. Moreover, dollar receipts from visible exports are falling.

In November exports to the U.S.A. declined by £1,800,000 to £10,100,000, a level which is about 14 per cent below that held in the first nine months of 1951.

Exports to Canada, at £11,300,000, were some £1,000,000 in excess of the October figure, but 6 per cent under the average for the first three quarters of 1951.

Dollar shipments to the North American continent as a whole are down by 10 per cent on a nine-month comparison, so that the dollar gap is widening.

INCREASING COMPETITION The difficulties in the way of reducing the U.K. payments deficit and of bridging the dollar gap are, admittedly, immense. Rearmament is robbing the national economy of men, money, and materials, that would normally have been constructively employed on production for export and the essential of the home market.

With the industrial resurgence of Germany and Japan, many export markets, and especially textiles, are becoming increasingly competitive. Surely the Government should concentrate on a resumption of coal exports in adequate quantity.

This would involve getting more out of the mines, a task that has so far baffled the Coal Board, but which must be accomplished if coal output is to satisfy internal industrial and domestic needs and to provide a surplus for shipment overseas. Increase of coal production would not, of course, solve all the nation's economic and financial problems, but it would go some way in that direction.

Then every effort must be made to ensure an adequate supply of labour and raw materials for the great export industries—motor-car manufacture, shipbuilding (with its direct and indirect export value), textiles, grocery, and so forth. All this will involve a deprivation of the home consumer, but the nation's ills are so serious and deep-seated as to require drastic treatment.

PRELIMINARY MEASURES So far, the new Government has but touched the fringe of the problems left for it to solve: the time at its disposal has been too short for it to do much. Mr. Butler's financial measures—the raising of the bank rate and his directives to the banks and the Capital Issues Committee on the need to restrict credits to the financial irrigation of essential professions and to examine applications for new money with meticulous care—are but preliminary measures, which must somehow ensure that fiscal and physical austerities do not sap the will to work and produce.

In the sectional, but very important matter of the dollar gap, the renewal of the Dollar Export Board is a step in the right direction; but only a step. Gradually, of course, further plans for the economic rehabilitation of the national economy will be brought into operation.

The next Budget will play an important and pervasive part, for the days are gone when the Budget is a matter of fiscal policy alone. The Budget is now used to steer and control economic development, and the contents of the April, 1952, edition will be of supreme importance in promoting the recovery of Government enterprise to a condition of health, strength and sanity.

The latest industrial profits table compiled by the "Financial Times" gives support to the contention made last week by Mr. Ivan Stedford at the Tube Investments' meeting that, though trading profits have been maintained in most industries, the net amount left after tax outgoings is insufficient to permit the setting aside of a surplus adequate, in a period of acute and lasting inflation, to replace fixed assets and stocks at current price levels.

A WARNING Trading profits of the Tube Investments group rose last year by £1,500,000 to £7,777,000, but after tax and depreciation, the company was left with no more than £290,000 of this increase. And, in the same year, the group invested an additional £2,000,000 in plant and buildings, about £1,500,000 in increased credit to customers, and a further £1,500,000 in higher values of stocks and work in progress. The grand total of this new investment was £5,000,000. In all, T.I. has spent more than £17,000,000 since the war on capital account so that the huge profit picture so associated with the group had to be supplemented by new issues of capital.

Already said Mr. Stedford, taxation is so high that industrial companies are finding it necessary to raise new capital to finance their normal development. "If," he warned, "they are to be still further denuded of the wherewithal for re-equipping and maintaining the national well-being, then Britain is being steered towards a dangerous corner."

A GRAVE THREAT This warning has been given by many leading industrialists and is no exaggeration of a grave threat. It was given in a study on the effects of inflation on the capital of industry by the Federation of British Industries. Both Mr. Stedford and the F.B.I. have rightly emphasised that current fiscal systems ignore inflation in that they refuse to allow a charging against profits for tax assessment purposes of depreciation based on replacement rather than historic or prime cost.

Further illustration of the dangerous whittling-down of industrial earnings by excessive taxation appears in the "Financial Times" profits table already mentioned. The latest results of 2,850 companies whose annual reports and accounts were issued in the first 11 months of 1951. They show that, on a comparison with the corresponding period of 1950, the gross profits of these companies rose by 23.6 per cent to £1,391,000,000. But, after depreciation of £177,432,000 and tax provisions of £605,840,000 (against £468,204,000), there was left £422,803,000 available for distribution as between dividends and payments to shareholders.

Ordinary dividends took £128,355,000 only, while transfers to reserves totalled £330,457,000 of which an appreciable part consisted of amounts placed to stock and fixed asset replacement by way of protection against costs' inflation.

LESS THAN HALF At the close of their respective financial years, the companies included in this statistical survey had issued ordinary dividends totalling £1,409,138,000. These were buttressed by an imposing figure, but one worth, in terms of purchasing power, less than one-half of the pre-war value. And the year-end net working capital aggregate of £2,855,583,000 contains all too little in the way of liquid resources: it is largely composed of stocks and debtors. Earnings, it should be noted, are equivalent to no more than 10 per cent on capital employed—that is, issued capital plus reserves—while, on the same basis, the distributions by way of ordinary dividends represented a reward only slightly in excess of 3 per cent. This is by no means generous pay for "risk" capital. Nor do the "Financial Times" figures in any way support the contention that the level of industrial profits is too high; there is little enough left after all charges have been met.

There were signs towards the end of the post-war period of an ordering of the heavy fall in dividend and share values that

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"TJILUWAB"	Jan. 18th	MAIDEN VOYAGE To Singapore, Java & Macassar
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"TJIBALENGKA"	Mar. 15th	Singapore, Java & Macassar

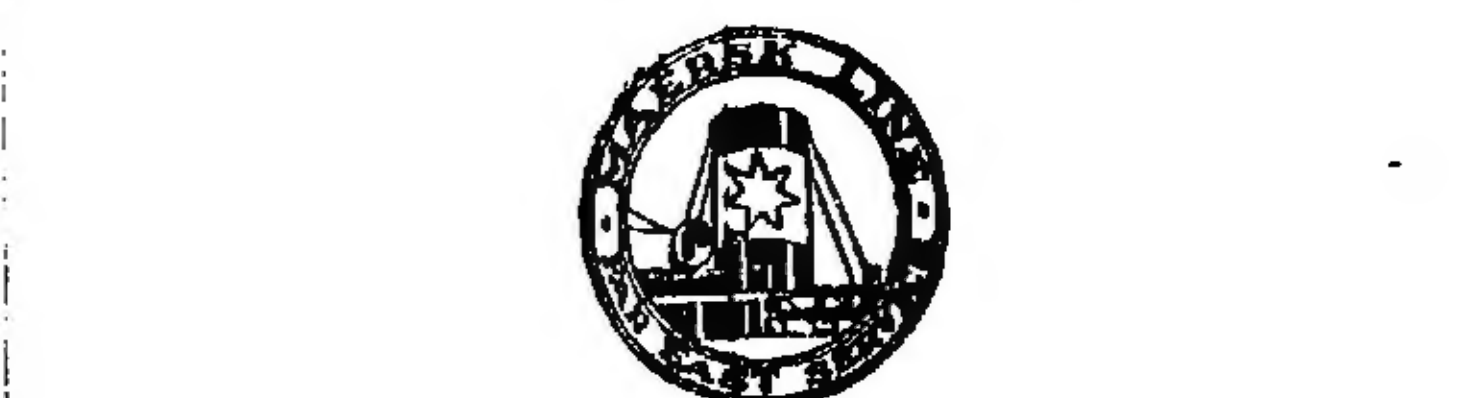
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